

DEMOCRATIC GERMAN REPORT

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SOVIETS TRUST DEMOCRATIC GERMANY

Control Commission Dissolved

The decision of the Soviet Government to dissolve the Soviet Control Commission in Germany is renewed proof of the great trust placed by the Soviet people in the democratic forces of the German people, the Cabinet of the German Democratic Republic stated after a special meeting on May 30th.

"The Cabinet greets the decision of the Soviet Government as an important contribution to the peaceful solution of the German problem, and towards the consolidation of peace in Europe", the Cabinet announcement said.

"The decision encourages and gives strength to the patriotic movement for unity, democracy and peace in the whole of Germany."

The dissolution of the Soviet Control Commission in East Germany was announced in Moscow on May 29th. The official announcement said:

"The Cabinet of the USSR has decreed the dissolution of the Soviet Control Commission in Germany, and the release of the Commander in Chief from the performance of control duties in the German Democratic Republic. His activity is to be limited to the command of Soviet troops in Germany.

"The Cabinet has decreed the institution of the post of High Commissioner in Germany situated in Berlin. The High Commissioner will be entrusted with representing the interests of the Soviet Union in Germany; supervising the activity of the state organs of the German Democratic Republic with regard to the fulfilment of obligations arising from the Potsdam decisions of the Great Powers on Germany; and maintaining appropriate relations with the representatives of the occupation authorities of the United States, Great Britain and France with regard to questions of an all-German character arising from four power agreements on Germany.

"Ambassador V. S. Semyonov has been appointed High Commissioner of the USSR in Germany."

Ambassador Vladimir Semyonov, the new Soviet High Commissioner in Germany, has great experience in German affairs, since he served as political adviser to the Soviet Control Commission from its formation in October 1949 until April this year.

(cont. on p. 2)

UN - DENAZIFICATION

The right wing German Party, which is one of the partners in the present West German Government, has adopted a new programme calling for the "wiping out of the moral and economic harm caused by denazification."

The new programme, which was adopted at the party conference held on May 30th, called for the "liberation of German colonisation areas in the east;" complete revindication of former members of the SS; heavy punishment to be imposed on any person who insulted the "honour of German soldiers;" and the prohibition of political strikes.

BAD EGG



(From "Krokodil", Moscow)

(cont. from p. 1)

SOVIETS TRUST

The declaration made by the Cabinet of the German Democratic Republic, welcoming the new move, stated in part:

"The Soviet Control Commission in Germany, acting in accordance with the Potsdam Agreement, has given the German people great help in their peaceful work of reconstruction in the past years.

"The creation of the office of High Commissioner with its seat in the capital, Berlin, means a consistent continuation of the Soviet policy of peace and friendship with regard to Germany. In accordance with the Potsdam Agreement this policy has always been directed towards the creation of an independent, democratic and peace-loving united Germany.

"The German people have noted with indignation that the activity of the High Commissioners of the western powers in Bonn has been devoted to deepening the split through Germany and forcing the war pacts of Bonn and Paris upon West Germany. This policy is an obstacle to the conclusion of a peace treaty, and is intended to ensure the continuance of military foreign domination in West Germany for an indefinite period.

"The pacts of Bonn and Paris led to a re-strengthening of fascism, and convert West Germany into a rallying-point of the German militarists who thirst for revenge. This is against the interests both of the German people and of all other peace-loving peoples.

"The Cabinet of the German Democratic Republic has recognised as the foundation of its policy the responsibilities and claims arising for the German people from the Potsdam Agreement.

"In accordance with this policy the Cabinet and the People's Chamber of the German Democratic Republic have repeatedly made proposals for an understanding between the Germans living in the East and West of our homeland, in order to help restore German unity and assist the conclusion of a peace treaty with Germany.

"The decision of the Cabinet of the USSR gives encouragement and hope to the patriotic move-

"PRAVDA" ON GERMAN PROBLEM*Reply to Churchill Speech*

In an important article on world politics, published on May 24th, the Soviet newspaper "Pravda" dealt at length with a number of questions raised by Sir Winston Churchill in his speech to the British House of Commons on May 11th.

Here are the main references to Germany in the "Pravda" article:

We repudiate as absolutely incorrect Churchill's affirmation that Soviet policy is the cause of the sharpening of the German problem. The real cause of the present position in Germany has been fully explained by the authoritative representatives of the Soviet Union, and there is no reason to repeat them here.

We repudiate at the same time the rather strong words of Churchill chosen by him in regard to the negative characteristics of the state of affairs in eastern Germany. Of course we could find words no less trenchant and even more true to describe the characteristics of the state of affairs in western Germany, but the present task in hand is not one of mutual recrimination. It should be clear to all that the division of Germany means the re-establishment of a centre of danger of war in the middle of Europe. The German people will not accept the loss of its unity, won at the price of great efforts and sacrifice about a hundred years ago.

For this reason the basic problem concerning Germany consists of liquidating the existing division of the German state, of preparing and signing a peace treaty with Germany conforming with the basic principles of the Potsdam agreement between the great Powers, and to establish a united, peace-loving, and democratic Germany.

The main concern of those countries which have suffered, not once, from German aggression must be one of opposition to the resurgence of German militarism. At the same time the German people must be guaranteed all conditions for the development of the peaceful production of Germany—for their being able to take part in the economic life of the world and for the continued growth of their rich national

culture. In this respect the new peace treaty must avoid the errors of the Versailles system aimed at the enslavement of a great nation. It is no secret that the authors of the Versailles system were more concerned with the prevention of Germany's economic revival and her establishment as a competitor in the world markets than with preventing the resurgence of German remilitarization.

Attention is drawn to the fact that Churchill completely overlooked the existence of the Anglo-Soviet treaty of mutual assistance, signed in London in 1942, aimed at the prevention of new German aggression. This treaty was concluded with the purpose of strengthening the security as much of the U.S.S.R. as of Great Britain, and conforms entirely with the bases of the international documents on the German question, including the Potsdam agreement.

Marx's Library found

A considerable part of Karl Marx's personal library was discovered recently in Berlin, and has been put on exhibition in the Marx-Engels-Lenin-Stalin Institute there.

After Karl Marx's death his books, most of which have his marginal notes, passed into the possession of the German Social Democratic Party. Here they were simply included in the central lending library, and a large part of them were lost or destroyed.

When Hitler came to power in 1933 the library was dispersed, but painstaking research brought to light 400 volumes which had undoubtedly belonged to Marx. Some of the volumes turned up on the shelves of Berlin second-hand booksellers.

Trade with China Up

Trade between the German Democratic Republic and China will be one third higher in 1953 than it was last year under the terms of a trade agreement signed in Peking.

China will supply East Germany with non-ferrous metals, soya beans, grain and fats, and East Germany will supply machines, fertiliser, chemicals and various consumer goods.

ment for unity, democracy and peace in the whole of Germany.

"The Cabinet of the German Democratic Republic calls upon all real German patriots to raise higher the banner of national independence, and to carry it forward to victory."

WHY WEST GERMANS SAY "GO HOME YANK"

Memorandum on Crime Increase

There has been an enormous increase in crimes in those parts of West Germany where new U. S. Army bases have been established in the past year, particularly in the province of Rhineland-Pfalz, according to police statistics and reports in the West German press.

The Communist Party fraction in the West German Parliament published on May 20th a special memorandum on the subject, and called upon the West German Government to take the necessary measures to protect the persons and property of the German civilian population.

Here are some extracts from the memorandum:

1. Between January 1st 1950 and January 1st 1953, police and press

reports have shown that a total of more than 3400 charges were made against members of the occupation forces and persons in their service in respect of crimes with violence and misdemeanours, in the province of Rhineland-Pfalz.

2. Between January 1st 1953 and April 1st 1953 this figure has risen greatly. Police reports and press notices show that in this period alone more than 500 such cases were registered. In judging the statistics it must be remembered that in many cases shame prevents charges being levelled.

The little town of Landstuhl in Rhineland-Pfalz, before the invasion of American occupation forces, mercenary troops and large numbers

of foreign workers, had practically no crime to report. In the year 1952 police reports show 1263 charges, including 215 charges of theft; 150 traffic accidents (50% more than 1951); 139 cases of fraud (100% increase); 117 crimes of violence, 86 moral contraventions including the arrest of 62 prostitutes from other towns; one murder; two suicides and three attempted suicides. 160 persons were taken in charge for being drunk and incapable.

(The memorandum gives a large number of extracts from the West German millionaire press to illustrate its point. The following items are only a small part of the collection.)

"An unknown American soldier attacked a 15 year old girl on the Mannheimer Hochufer Strasse, and threw her on the ground. She was taken to hospital with a broken nose and hemorrhage on the right side of her head. Military police failed to find the culprit."

"Die Rheinpfalz", February 26th 1953.

"On Sunday three Americans raped a 25 year old woman from Bad Kreuznach on the former parking lot. A man who was accompanying her was held off by one of the soldiers brandishing a knife."

"Oeffentlicher Anzeiger" April 1st 1953.

"Landstuhl — The American Military Police have detected a number of member of the American occupation forces who had lent their army tents to 'Veronicas' (G. I. slang term for German prostitutes, ed.) for them to conduct their businesses. The police would not have got wind of the affair if the girls had not erected their tents right next to the American church, near an American hospital with one thousand beds."

"Die Freiheit", April 2nd 1953.

"Trier — The district gendarmerie report that two American soldiers, without any reason, knocked down farmer Alois Kell, aged 50, and left him lying unconscious on the road. After the deed the soldiers fled in a car and have not yet been apprehended."

"Die Freiheit" January 2nd 1952.

"Bingen — An eight-year-old boy, Geo Rumpf from Gensingen near Bingen, was held, face downwards, over an open fire on Friday by an American soldier, the gendarmerie report."

"Abendpost" April 21st 1953.

JOE McCARTHY & THE NAZIS

Friend of SS

United States Senator Joe McCarthy, who has become notorious throughout the world recently for his attacks on all peace-lovers and progressives, is naturally a friend of the nazis.

He showed this back in 1949, when he was "just another Senator", by bullying the U. S. Government into pardoning SS men who had been sentenced to death for murdering 150 unarmed American prisoners of war at Christmas 1944.

An American military court in West Germany sentenced 43 SS men to die for the crime. In 1949 Senator McCarthy sprang to the defence of these brutal convicted assassins. A Senate Committee consisting of Senators Raymond Baldwin, Estes Kefauver and Lester Hunt was established to inquire into allegations of forced confessions in the case, and McCarthy shouldered his way on to the committee, compiled his own list of witnesses, and demanded and got the right of cross examination.

He called the U. S. Judges who tried the case "morons", and at one point demanded that the U. S. officers who obtained the confessions from the convicted SS men should be subjected to lie-detector tests. At no time during the whole hearing did McCarthy show any indignation at the crimes committed by the SS men, but only at the fact that they had been imprisoned and sentenced to death.

One of the American soldiers who survived the massacre by feigning death, Kenneth Ahrens, was asked by a committee member:

"As I understand your statement, during the killing the SS troops seemed to be in a hilarious mood and seemed to be enjoying their work?"

Ahrens: "Very much so."

At this point McCarthy leapt to his feet, and accused Ahrens of "trying to inflame the public and set off a roman holiday".

Earlier, McCarthy had provided neo-nazi propagandists in West Germany with fuel for their anti-Semitic whispering campaign by declaring to the senatorial committee:

"Many members of the interrogation team were American citizens of very recent origin — German political refugees from Hitlerian Germany — employed by the Army because of their hatred of the defendants."

20 Countries for Leipzig Fair

Holland, Denmark and Austria are amongst the countries which plan participation in this year's trade fair at Leipzig, from August 30th to September 9th.

Altogether one fifth of the exhibition space will be occupied by foreign exhibits, the largest of which will come from the Soviet Union, China and the European People's Democracies.

Stalinstadt on the Oder

VISIT TO A SOCIALIST TOWN

By Gerhard Bengsch

If you drive east from Berlin towards the Polish frontier, the road takes you through the typical dry sandy landscape of Brandenburg, past sleepy villages.

Suddenly your eye will be caught by a huge steel construction, stretching across the landscape like the skeleton of a monstrous mammoth. Without warning, there in the wastes of Brandenburg, stands the J. V. Stalin Foundry Combinat, breathing fire from its four furnaces.

You have the feeling that there should be a gigantic portal, with the inscription "Socialism, the dream of mankind, is being put into effect here in Germany".

Model Hostel

Driving into the newly named city of Stalinstadt from this side, the first thing one sees is the apprentices' combine. First impressions are that this is a model building, with its generously proportioned rooms, its broad windows, and its finish, but inspection of other buildings nearby, which were erected later, shows that this, one of the first buildings put up, is almost primitive.

53 apprentices, including 3 girls, live and work here during their one-year apprenticeship for their later job as blast-furnace workers.

A generation of young Socialists is being trained here, including some who have taken the same difficult "Road to Life" as that depicted in the book of the same name by the Soviet author Makarenko.

Disciplining Horst

They have a hard job to do, learning, and they give their instructors a hard time too, sometimes, with regard to discipline. But they will be the future owners of the foundry and of the city where they live. The mutual training in comradeship and honesty has daily successes.

One of the apprentices is Horst Rolf, aged 17. His blonde hair is neatly combed, and he is wearing the cornflower-blue shirt of the Free German Youth. Not so long ago he was a neglected little rowdy, but life in Stalinstadt is an education even for old men, and it has brought about a great change in Horst.

Horst points from the window of his room at the installations of the Combinat: "There are the four furnaces. Furnace IV is named after Philipp Mueller, who was murdered in West Germany, and is run by a youth team. We apprentices also work on Furnace IV, alternately on the early and afternoon shifts. Then of course we have trade school: chemistry, physics, social science."

Horst opens the window and leans out. With his hand he builds Furnace V, which is only half finished, and fells the forest on the site where the steel works and rolling mill are due to be built. With the assurance of a managing director, he explains the workings of the Combinat which, in its finished form, will produce a flow of German steel made from Soviet ore and Polish coal.

"Isn't our Combinat grand?" he says softly. Only a few months ago he loved Deerslayer and Red Indians, but today he loves his factory.

Young City

Stalinstadt is a young city, and the most important thing in it are the young people. That is why the second building which we visited was the school.

The boys and girls must have a fine time here, with their comfortable desks, loudspeaker music during breaks between lessons, laboratories with all the equipment anyone could want, Meissen china to eat their school lunches on, a grand shower-room for use after games and in hot weather.

Some people have criticized the fact that so much money has been spent in equipping this model school. But they are wrong. The Combinat, which provides the money, just cannot spend too much on this school since it is its own future. In only a few years the boys and girls now attending this school will be the engineers and the technicians of the great plant.

And this new generation will have really many-sided knowledge, for in their study groups they learn how to use knitting machines, looms, lathes and boring machines, and even circular saws, as well as doing all the usual lessons.

But some critical words must be said about Stalinstadt, as well as all

the positive things which we have to say. There can be no wonder that some mistakes are made when a city for a population of 30,000 is to be built within five years in a space occupied previously only by sand and forest.

Criticisms

But when all allowances are made, the Ministry of Construction must be criticised. It has not done everything it could have done to see to it that the workers in the Combinat get decent accommodation as soon as possible. Even today the building staff is short of several hundred bricklayers, and no big campaign has been started to recruit people who want to take part in the building of Germany's first Socialist city. The trade unions have not given the necessary help either, and the Building Academy is still behind-hand with the blue-prints for new constructions.

But despite all this, one quarter of the city is finished, and there are curtains in the windows. In autumn one third of the city will be ready. And we must remember all the other things which go to make up this Socialist city — schools, hotels, cafes, cinemas, swimming baths, hospitals, tanks, garages.

When the capitalist lust for profit led to towns springing up by the African diamond fields or the gold mines of Alaska, then they were ramshackle collections of huts; when Krupp built his workers' suburb at Essen he did it in order to close the last gap in the cage of exploitation.

"Only the Best"

But the drawing boards of the people who plan a Socialist city are decorated with the motto "Only the best is good enough for the workers". That is why Stalinstadt will be almost completely surrounded by a string of playing fields; a system of schools will provide the best facilities for every child; the streets of the city will be lined with fine shops; and an entire hill on the outskirts will be the site of comfortable houses with gardens, the homes of Activists, inventors and scientists.

And these plans are not just on paper. Every visitor exclaims with pleasure when he sees the new hospital — and then he learns that

he has been admiring only one wing with 70 beds, and the hospital proper, with 400 beds, has yet to be built.

Our last visit in Stalinstadt was the Craftsmen's Combine, which is still housed in a provisional building in the outskirts. The 35 members of the craftsmen's production cooperative — tailors, shoemakers and hairdressers — tell of the fine opportunity for craftsmen in a Socialist city.

Barber Paul Goyne lives up to tradition, keeping up a constant flow of talk as he lathers his customer's face. But he does not tell the usual barber's stories. Instead he talks about the cooperative:

"I come from Luebbenau. Used to have my own shop there. Pretty poor life, if you haven't got the money to do everything up in chromium. Hard to scratch together the wages for the assistant. Forty marks a week was the most I ever made. But that's different here. 320 marks every month, net, after my social insurance and taxes are paid."

And on the nearby scaffolding, working on the new houses, are builders like Fritz Ritter. He learned to use new labour-saving Soviet methods of building in the Stalin Allee in Berlin. Now he is here helping to make up for time lost through faulty planning. They are 16 days behind now, but Fritz Ritter knows they can catch up — in the Stalin Allee he organised things so well in one block that they caught up a back-log of 25 days once.

And all of them, the apprentices, the school children, the craftsmen, the builders, and thousands of other are building a city worthy to bear the name of Stalin, the man who made it possible for the German people to go about the task of erecting their first Socialist city.

Germany's First Automatic Factory Department

The first fully automatic factory department in the German Democratic Republic has just gone into production in the Horch Vehicle Works at Zwickau.

The automatic department, arranged along a conveyor belt over 40 yards long, bores and finishes complicated cylinder heads for diesel motors. The roughly formed cylinder heads are fed in at one end, and emerge from the other end completely finished in a total of 110 working operations.

The only human work in the automatic factory department is that performed by the engineers who change the cutting and boring tools when warning lamps shine to show that they are getting blunt.

"FREEDOM OF THE PRESS" West German Police Methods

On May 18th West German police raided the publishing house "Fuldaer Verlagsanstalt" in Fulda, American Zone. The publishing house prints two newspapers, the independent middle-class "Fuldaer Volkszeitung", and the "Deutsche Volkszeitung", the newly founded daily newspaper of the League of Germans, the West German peace party led by ex-Chancellor Joseph Wirth.

On May 19th Heinrich Kierzek, publisher of the "Fuldaer Volkszeitung" published the following leading article in his paper:

One fine day in spring 1933, when I was working as a young sub-editor on a newspaper of the Zentrum Party in Aachen, I looked up to see two SS men standing in front of my desk. They told me brusquely that I must not leave the office, and began to search through my desk for "incriminating material".

The same thing was going on throughout the office. All telephone cables were cut, work came to a standstill, and heavily armed SS men stood round the building to see that nobody left.

Yesterday, exactly 20 years later, I went through the same experience again. This time the action was taken against the publishing and printing offices of the Fuldaer Verlagsanstalt. Instead of SS men the action was carried out by detectives, police and frontier guards, in a body at least 60 strong.

They surrounded the building, occupied all offices, cut all telephone communications, and so on. The action began shortly before 5 p.m. and lasted more than three hours. The police confiscated indiscriminately business documents, waste paper, and large quantities of lead, and loaded it all on a lorry.

What was the reason for the action? For seven months, I, as responsible director of the firm, have been threatened with charges of "endangering the state". I have never denied that the pamphlets, which allegedly "endangered the state" were printed in the Fuldaer Verlagsanstalt. These pamphlets are legal pamphlets, which accord with the principles of the Constitution and comply with the Press Law of the province of Hessen.

At the beginning of the police action, which was under the direction of a certain Herr Flgge from the Federal Criminal Police, I was informed that the search was being made in order to find material for use in the proceedings being taken against me.

The police took a lot of lead and waste paper with them, but they found not the slightest trace of incriminating evidence. They could not find such evidence, since there is no such evidence.

I can well imagine that rival newspapers will bring all the details of the search with a triumphant flourish, suggesting that such a lavish provision of police indicates that I am a very dangerous criminal.

But we have been through all this before; it is only twenty years since some newspapers were crowing because the state had suppressed their rivals. They went on crowing until all of them were "coordinated", and all of us have experienced personally how the adventure ended in 1945.

Nobody can seriously claim that we are living in a proper democracy in the Federal Republic today. But there are still some bits and remainders of such a democracy. First and foremost the press has the task of protecting these traces. We shall go on doing this in the future with the same determination as in the past.

NEW YORK Herald Tribune

PARIS, THURSDAY, MAY 21, 1953

NAZIS' FINANCIER BACK IN BUSINESS

By Gaston Coblentz

Dusseldorf — Haughty, bitter, witty and energetic Hjalmar Horace Greeley Schacht, the noted German financier and economic impresario of the early Hitler regime, is making a spectacular comeback at the age of 76.

Hamburg, the largest city in West Germany, at first refused him a licence to open his new banking firm there. The city fathers found that he was morally unfit to run a bank in post-war Germany.

But Dusseldorf, less purist, gave him the green light. The morning Schacht & Co. opened its doors here, it was inundated with bouquets of flowers, gift baskets and other tokens of esteem. Dr Schacht remarked: "I had not expected that I would be received so splendidly by the economy of the Ruhr."

Dr Schacht, wearing his characteristic high collar, receives foreign newspaper men with a mixture of

cordiality and disdain. He is not reluctant to talk about his work for Hitler in the heyday of nazism, when he launched Hitler's rearmament drive.

"I served under the National Socialist Government" he says, "because I couldn't stand to see 7,000,000 Germans unemployed, and because I was afraid Germany would succumb to Bolshevism. I am proud of having helped my country to escape Bolshevism."

Facts about Dr Schacht's current deals are not easy to come by. The following are clear:

His firm, registered as a foreign trade bank, was set up with 1,500,000 Deutsche marks of fully paid capital (about \$375,000), a not inconsiderable sum for this type of undertaking in Europe. One third of the total was provided by Schlep & Co., a relatively unknown Dusseldorf bank, which gave him two

floors of its handsome three-story building and also became his junior partner.

The rest was put up by a series of other backers. His active partners include Waldemar Ludwig, a former Reichsbank director and currency specialist living in Scandinavia, and Fritz Vomfelde, a Deputy representing Adenauer's Christian Democratic party in the North-Rhine-Westphalian Parliament, who serves as political contact man for the Schacht firm.

The bank's silent partners include Prince Otto von Bismarck, a grandson of the Iron Chancellor and former German diplomat; Ernst Schneider, industrialist president of the Dusseldorf Chamber of Commerce and Industry; and Paul Schieweck, head of a mineral oil refinery in Essen. According to Schacht, "They gave me money, but they have nothing to say."

Highly reliable informants state that since the bank was set up in January, its capital has increased by about another \$750,000, thus reaching the million-dollar level in a short time — a noteworthy accomplishment in West Germany's dynamic but capital-parched economy.

The following are high points — and low points — of the 50-year career in finance which he is rebuilding with such impressive vigor:

At 26, in 1903, he was an unknown archivist in a Berlin bank.

At 38 he had become a high-powered financial adviser to the governor general during the Imperial Reich's occupation of Belgium in 1915.

At 46, having soared in the private banking world, he was called in by President Ebert of the Weimar Republic during the desperate incredible inflation of 1923, and appointed fiscal commissar to restore German currency. This was the first operation that gave him an international name.

At 58, he became Hitler's Plenipotentiary-General for War Economy, as the Nazi rearmament program got under way in earnest. He had already, by 1935, performed for Hitler the prime service of reinvigorating the German economy.

At 60, indignant at Hitler's rejection of his advice to retrench somewhat on the arms drive, and involved in a row with Hermann Goering, he quit the Nazi government. Despite his early eager support of Hitler, Schacht had never joined the Nazi party.

At 67 he was arrested by the Gestapo, three days after the July 20, 1944 plot to assassinate Hitler, and jailed.

DEAR ADOLF! . . .

Lieber Herr Hitler!

May I hope that you permit me to use this form of address, since my letter serves no other purpose than to assure you, at a time of grave adversity, of my inalienable sympathy.

I know that you do not need to be consoled. The rise to 14 million (votes), the perfidious counterblow through the nominally greater strength of the other side, and the defection of fine-weather-friends — all this could have hardly surprised you. But what you may like to hear these days is a word of sincere sympathy. So strongly is your movement carried by its inherent truth and urgency that victory, in one form or another, cannot be denied. While the movement was growing you did not let yourself be seduced by false gods. I have no doubts that now, temporarily put on the defensive, you will just as firmly resist the temptation to seek an alliance with false idols. If you remain true to yourself, success cannot fail you.

You know that I would not venture any tactical hints, since I fully recognize your superiority in this field. But as an economist, may I make this one point. Try to avoid offering any detailed economic policy. There is no such thing, none on which to unite 14 million voters. Economic policy is no party-building force; at best it can rally partisans. Economic measures cannot but depend on time and circumstances. What matters is mainly the spirit that gives them birth. Let that spirit be your guide.

Whatever my activities in the near future — even if you might happen to spot me within the fort (i.e., the government of the Weimar Republic) — you can rely on me as your most loyal helpmate.

I felt the urge to write to you, because so few, these days, have grasped that all that matters is inner strength.

HJALMAR SCHACHT

(This letter, not reprinted from the "New York Herald Tribune", was written on August 29th 1932, five months before Hitler came to power.)

At 69, he was acquitted of war crimes charges by the international Nuremberg tribunal.

At 70, he was reviled and sentenced by a German denazification court as a "major nazi offender" after a vituperative six-week trial. He was released after about a year.

As shown by his recent travels, Dr Schacht is still intent on his idea of developing the huge backward regions of Africa and Asia. It is in those countries that Schacht & Co. may be increasingly active.

"If the United States wants to maintain a certain prosperity in Germany, which I think is necessary in order to fortify the wall against Bolshevism, then financial cooperation with German industry is necessary" he says.

(The profile above, which we have lifted, without permission, from the "New York Herald Tribune", misses out one or two salient points in Schacht's career. Immediately following World War I, Schacht helped the U.S. banking houses of J. P. Morgan, and Dillon Read & Co., in their speculations in German currency, and later helped these American bankers to acquire huge interests in German industry.

During World War II, from 1940 to 1943 Schacht made repeated journeys from nazi Germany to Switzerland, where he conferred with American representatives on the Bank of International Settlements in an effort to reach an agreement between Hitler Germany and the United States, as the basis for an alliance against the Soviet Union.

We hope that the fact that we have reprinted an article by Mr Gaston Coblenz does not mean that he will now be called before the McCarthy Committee. Odder things have happened.)

Money for Church Restoration

The Government of the German Democratic Republic has granted the sum of 46,000 marks towards the restoration of the Maria Church in Neubrandenburg, which was totally burnt out in the concluding days of the war.

Help for Mothers

The Telecommunications Factory in Treptow, Berlin, has opened a factory nursery school with accommodation for the children of 60 women working in the plant. Most of the work entailed in building the nursery school was given freely by employees, and the engineers gave spare time to make a round-about, a swing and a see-saw for the children.

THE BANKERS' COME-BACK

War Criminals Run Dresdner Bank

"The German economy shall be decentralised for the purpose of eliminating the present excessive concentration of economic power"

Potsdam Agreement, signed by Stalin, Truman, Attlee, August 2nd 1945.

Banking and finance in Hitlerite Germany was dominated by three great bank houses. One of these was the Dresdner Bank.

Immediately after the war the Dresdner Bank was officially split up into 12 smaller banks, allegedly independent. During 1952 these twelve "independent" banks coalesced, and the old Dresdner Bank was revived, in West Germany only, of course.

There are 14 men on the board of directors of the new Dresdner Bank. No fewer than 11 of them occupied the same position during the Hitler era, when the Dresdner Bank was commonly known as the "SS Bank" because of its close connections with Himmler.

Carl Goetz, Chairman of the Board of Directors, was named on the list of war criminals published by the United States Senate in 1945. He was arrested at the beginning of November 1945, and on November 4th

1945 the official U.S. occupation newspaper in Germany, "Allgemeine Zeitung" stated:

"It has been proved that these banks used their economic power to promote nazi aims, and to finance German war industry. The American military authorities are considering trying these bankers as war criminals ... since they knowingly and actively participated in Hitler's war."

Carl Goetz was released a short while later.

Friedrich Flick, member of the Board of Directors of the Dresdner Bank, sentenced at Nuremberg on December 22nd 1947 to seven years imprisonment by Judge Charles B. Sears of New York, who found him guilty of participation in waging aggressive war; making use of slave labour; being responsible for the deaths of many thousands of slave labourers; spoiling and plundering in occupied countries; profiting by the "Aryanisation" of Jewish enterprises.

Alfried Krupp, member of the Board of Directors. Sentenced to 12 years imprisonment and confiscation of all property at Nuremberg on July 31st 1948 by Judge H. C. Anderson of Tennessee. Krupp was found guilty on charges of abusing slave labour — 70,000 foreign slave labourers and 5000 concentration camp inmates worked for Krupp — looting other countries, etc.

Other members of the Board of directors include Karl Lindemann, boss of the shipbuilding firm C. Melchers & Co., in Bremen; Heinrich Koppenberg, former chief of the Junker Bomber Factory, and today owner of the engineering firm Sueddeutsche Apparatebau, Karlsruhe; and Hugo Zinsser, close relative of Chancellor Adenauer and member of director's board of over one dozen West German banks and trusts, including part of the revived IG Farben Trust.

Lindemann, Koppenberg and Zinsser were all named on the official U. S. War Criminals list issued in 1945, but no legal action was taken against them.

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BERLIN NOTEBOOK

By John Peet

A few months ago I bought one of the bright and charming embroidered Bulgarian silk blouses which are on sale here in East Berlin to send to a relative who lives in one of the farthest-flung portions of the British Empire; and I have just had a reply: "I do so enjoy telling people when they ask where I got it! Rumour suggests, of course, that all 'red' clothes are grey."

What rumour suggests is, as usual, well off the mark. German women's clothes were never at any time famed for their great colourfulness, but any idea that people here run around in suits of sackcloth and dirty grey are far from the facts.

A year or two ago there might have been a certain amount of truth in the picture, and the ready-to-wear departments of the big clothing stores here seemed to be crammed with strictly "sensible" dresses and suits in more or less dingy shades of grey, brown and dark blue.

But the enormous general improvement in the standard of living has brought about a great improvement here too.

Summer Frocks

I noticed it very strongly a few days ago when my wife asked me to go with her on Saturday afternoon to buy one or two washable summer frocks.

Warned by former experience, I looked forward pessimistically to a long hot chase from store to store until one frock to suit her could be found, but I had not reckoned with the big improvement both in the quality and the styling of the selection offered. The difficulty, in fact, was not in tracking down an attractive frock, but in making a choice between the wide range offered, all at very reasonable prices and in good styles.

And the colours? Vivid yellows, and greens and reds and blues, with stripes and polka dots and all the other usual decorations. Not that the question of colours has been finally solved yet, however. Only a week or two ago Frau Elli Schmidt, the Supply Minister of the East German Government, urged the textile industry to use more energy and initiative in getting really good and attractive dyestuffs for their goods, so we may expect a further improvement in the near future.

This shopping expedition, incidentally, reminded me of the days not so very far in the past when there was literally almost nothing to buy in the shops of Berlin. One of the shops we went to was a large clothing store on the eastern, not yet rebuilt, part of Stalin Allee.

WARNING!

"To appreciate Dr. Adenauer's policy, it is instructive to make a comparison between Western Germany and South Korea. Both are satellite States with a vested interest in the East-West conflict; both were created by an arbitrary act of partition; both are dependent on American support; both dread the prospect that peace might break out."

"Syngman Rhee is as resolutely opposed as Dr. Adenauer to any settlement except the unconditional surrender of the enemy."

"Once Dr. Adenauer is permitted to have his way in frustrating Four-Power talks and a peaceful solution of the German problem, Europe might become a vaster and more horrible Korea. But with this difference. The Federal Chancellor (or his successor) would be no expendable puppet. It would be he who pulls the strings while the rest of us dance mechanically to his tune."

*"New Statesman and Nation",
London, May 23rd 1953*

Here, in autumn 1948, the very first of the state stores was opened, and I was present at the opening, in my then capacity of chief correspondent for Reuters news-agency in West Berlin. It was three and a half years after the end of the war, but the suicidal self-destruction of the Nazi state had been so complete that the vast majority of the population were still living on the very scantiest of rations, and food and clothing off the ration could only be obtained at horrific prices on the black market.

The "free shop," which was opened in Stalin Allee late in 1948, was one of the attempts to break through the vicious circle created by the fact that production was low because there was too little to eat, and too little to eat because production was so low.

Here in this first "free shop" were many of the necessities and luxuries which had been missing for so long. The prices were very high, but the goods were there, and could be bought, legally, over the counter.

Hours before the opening, a dense mass of people completely blocked the street in front of the shop, and for days after the opening the queues outside the shop were enormously long. One of the longest queues of all, I remember, was for darning wool, something which had been completely unobtainable for years.

This first "free shop" was very quickly followed by hundreds of others, and 14 price reductions in four years have brought the prices of most products within reach of most people.

When one is annoyed about something not being available these days, or finds that the last egg in the shop has been sold out just before one gets there, it is quite good to recall that only a very few years ago, almost nothing at all was available.

Words and Music

Several young readers have written asking whether I could provide them with the words and music of German youth songs which they heard when they were in Berlin in 1951 for the 3rd World Youth Festival.

I passed the request on to Ernst Busch, famous in pre-Hitler Germany as a singer of workers' songs, who wrote one of the most popular political songs of the past few years "Go Home, Yankee".

Ernst Busch very generously gave me a big pile of the latest edition of the song book which he has published "Internationale Arbeiter-Lieder" (International Workers' Songs), and I shall be glad to send a copy to readers interested, as long as the supply lasts.

We must attach one condition to the offer, however. Please send us, with your request, the names and addresses of five people you know who you think might be interested in GERMAN REPORT. And please write the names and addresses in block letters.

The song book, in pocket size, gives the music and the German text of about 150 songs, and includes many new democratic German songs as well as the traditional songs of the international workers' movement.